



BIG MOUNTAIN SEWER DISTRICT

PO Box 1252
Whitefish, Montana 59937

Board of Directors Workshop Minutes October 29, 2019 9:00 am Northern Lights Conference Room, Kandahar Lodge

1. CALL TO ORDER

President Lund called the meeting to order at 9 a.m. Board members Sandie Carpenter, Bob Riso, Dave Ruoff, and Brad Kincaid were present. Jason Hanchett, Maintenance Supervisor was present, then left to return to regular duties on the mountain. Leslie Bales, Administrative Manager was present along with Dan Kramer and Tahnee Praiswater from MT Rural Water. Tim Mushkin, 310B Wood Run Drive was also in attendance.

2. INTRODUCTIONS

Lund introduced Dan Kramer and Tahnee Praiswater to the Board. Kramer reminded the BMSD Board that he came and spoke with them earlier in the year and is here to answer any questions the board may have regarding their review of the rates for BMSD.

3. PUBLIC COMMENT

Mushkin commented he thought the topic was interesting, and felt it would be worthwhile to attend, just here to listen and learn.

4. GUEST – Dan Kramer, MT Rural Water along with Tahnee Praiswater who also works for MT Rural Water.

5. WORK SESSION – Rate Study for FY2021

Lund started the discussion outlining the number of connections, BMSD's current rate structure, explaining that currently 70% of the fees collected go to the City of Whitefish for treatment, about 20% goes to improvements, and approximately 5% goes for operations of the district. Lund continued the billing is done by assessor number once yearly. Currently meter size and EDU's are used to calculate the charges, with raw land (not platted or planned for development) receiving no charge, with approximately 135 of the 741 lots which are vacant but platted paying for sewer as the availability to hook into sewer is tied directly to the value of their property. Lund continued that the BMSD board is wanting to look at incorporating usage into the rate structure since the majority of the cost for the district is directly linked to wastewater volume. Bales reported that the cost from the City of Whitefish for treatment is \$12.50 per thousand gallons.

Kramer, MT Rural Water shared data information for examples for BMSD to use in assisting with the rate structure review. Kramer shared that many entities assign 1 EDU to both the ¾" & 5/8" meter size, along with 1" residential. Kramer continued that residential homes that are larger and have 1 ½", 2" etc. meters are then assigned EDU's based upon the standards. Kramer explained that when a structure is built, the meter size is assigned based upon the number of fixtures in the proposed structure – and these standards have been engineered to maintain the proper flow and safe operation of the water and wastewater systems. Lund went through the EDU data from Carver Engineering.

Lund shared that he has attended several City of Whitefish Council meetings, along with both he and Ruoff meeting with Craig Workman, PWD for Whitefish stating that Whitefish uses 60,000

gallons per year average for residential property with 5/8", 3/4", or 1" meters in their rate studies. These properties are then charged additional for gallonage used over that amount. Ruoff reminded that the confusion is that both State and Federal guidance for Public Facility Projects state that a Single Family Residence is to be rated at 1 EDU and MT Plumbing Code says a commercial 1" line is 1.79 EDU's. Kramer recommended the BMSD Board adopt the MT State Plumbing Code, saying this would help the Board.

Discussion followed, with Bales outlining the rates based upon suggestion of the BMSD Board at earlier meetings sharing she has obtained the water usage for both calendar year 2018, and October 2018 through 2019 and correlated them to each property. Bales continued having the BMWC account numbers and the assessor numbers both linked to each property will allow us to move toward incorporating usage in our rates.

Discussion of what the definition of commercial is followed – with Kramer once again stressing to the Board that towns and cities use line size so they have an equitable method of measurement, and they don't have to do things like chase rentals for billing purposes. Line size, either alone or with usage numbers, is an equitable method of charging users. Kramer then showed his spreadsheet for calculating rates explaining how it works to the Board.

Discussion continued with the Board agreeing to review data at our next meeting as if the 5/8", 3/4", and 1" residential were set at 1 EDU, with larger residential and all commercial properties assigned EDU by their meter size. For usage, agreed to review using 60,000 gallons annually per EDU and look at calculations for additional usage over that amount. For example, a 2" line whether residential or commercial would then have 240,000 gallons annually as their allowed usage. These scenarios have not been adopted by the Board, but will be reviewed at the next meeting.

The Board asked Bales to prepare numbers for review at the January meeting using these guidelines. The Board will then discuss, review, and make any tweaks to this rate change proposal in order to be able to recommend further changes to proposed rates and language at the spring meeting, preparing for a mailing to all users outlining the updated rate structure and impact to each property, prior to the required public hearing – hopefully in June. The usage numbers for October 2019 through April 2020 would be used for the assessments for FY2021.

Kramer talked about protecting the water aquifers, with discussion of the I&I plans approved by the BMSD Board, and Kramer congratulated the Board on taking action to improve the operations of the BMSD. The Board thanked Kramer and Praiswater for attending the meeting.

Meeting adjourned at 10:41 a.m.

Leslie Bales

Administrative Manager

Robert Lund

President

Minutes approved at January 21, 2020 meeting.